

CONFIDENTIAL

CLASSIFICATION **CONFIDENTIAL**
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY China
 SUBJECT Economic - Industry
 HOW PUBLISHED Daily newspapers
 WHERE PUBLISHED China
 DATE PUBLISHED 3 - 26 Jan 1951
 LANGUAGE Chinese

DATE OF INFORMATION 1951

DATE DIST. 7 May 1951

NO. OF PAGES 4

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

NORTHEAST REPORTS INDUSTRIAL PROGRESS IN 1950:
FENG-MAN HYDROELECTRIC PLANT UPS POWER OUTPUT

Cooperation between the masses and their leaders and the aid of Soviet specialists in industrial and agricultural enterprises in the Northeast during 1950 resulted in gains of from 125 to 494 percent over 1949 in production, trade figures, and trading organizations, and attainments of from 101.8 to 125.8 percent of the goals set at the beginning of the year.

During 1950, the Northeast government invested 40 percent of its budget in state-managed industrial reconstruction. New deposits of coal, iron, and copper have been discovered, as well as deposits of two metals, tungsten and nickel, hitherto unknown in the Northeast. Installation of industrial research equipment has increased production from 10 to 880 percent.

Weaknesses manifested have been due to poorly trained cadres, unplanned industrial expansion without reference to essential factors, poor budgeting, and top-heavy administration.

The Feng-man Hydroelectric Plant completed its electric power production quota for 1950 by 6 December.

REPORT 1950 ECONOMIC ADVANCES IN NORTHEAST -- Hankow, Ch'ang-chiang Jih-pao, 10 Jan 51

The fine cooperation between the masses and their leaders and the aid of Soviet specialists during 1950 has resulted in the Northeast's attaining and surpassing many of the 1950 goals for industrial and agricultural production. Some comparisons with 1949 accomplishments and 1950 goals are given below:

- 1 -

CONFIDENTIAL

CLASSIFICATION			CONFIDENTIAL		
STATE	☒ NAVY	☒ NSRB	DISTRIBUTION		
ARMY	☒ AIR	☒ FBI			

CONFIDENTIAL
CONFIDENTIAL

50X1-HUM

<u>Item</u>	<u>Percentage Increase Over 1949</u>	<u>Percentage of 1950 Goal Attained</u>
Value of agricultural and state-operated industrial production	65.3	102.7
Value of industrial production only	100.5	101.8
Agricultural production only	44.1	103.4
Car loadings	--	108.5
Tonnage carried by state-operated interior river transport	175.0	--
Agricultural acreage	5.7	103.3
Grain production	37.0	107.4
Value of purchases in Northeast of state-industry-produced goods	178.7	103.3
Value of state trading enterprise purchases within the Northeast	178.7	--
Value of state trading enterprise sales	116.0	--
Increase in value of cotton cloth sales	226.0	--
Increase in number of cooperatives	19.4	--
Increase in membership of cooperatives	127.0	--
Increase in retail sales of cooperatives	494.0	125.8
Increase in purchases of cooperatives	394.0	107.4
Advance in rural people's purchasing power	32.0	--
Advance in urban people's purchasing power	12.5	--

- 2 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

<u>Item</u>	<u>3d Qu 1950 in % of 1st Qu 1950</u>
Private mercantile enterprise capital increase	108
Increase in sales volume	26
Increase in private industrial capital	94
Increase in value of private industrial production	132

During the year, commodity prices remained stabilized. Had not the threat of US imperialistic aggression hung over the area during the latter part of the year, there is no doubt that still better results would have been attained.

NORTHEAST INDUSTRIAL RECONSTRUCTION PROGRESSES IN 1950 -- Peking, Jen-min Jih-pao, 26 Jan 51

During 1950, the Northeast Government invested 40 percent of its budget in state-managed industrial reconstruction. This amounted to 77 percent of the economic investment budget for the total state-managed economy. Including plow backs by various state-operated industries, reconstruction investment exceeded the goal by 3.6 percent. New industrial building construction totaling 2,448,556 square meters of floor space was carried out during the year. Of this amount, 1,570,000 square meters were in workers' dormitory space.

Minerological investigation during 1950 resulted in the discovery of deposits of two minerals hitherto unknown in the Northeast, white tungsten and nickel, as well as new deposits of coal, iron, and copper. New industrial research equipment installed has added from 10 to 880 percent to production capacity. Eight thousand students enrolled in industrial schools have been supplied with much new experimental equipment.

Weaknesses revealed have included poorly trained cadres, ambitious industrial expansion undertaken without knowledge of water supply, climate, soil properties, topography, or availability of raw materials or electric power. In some cases, there were not even blueprints. The result has been delays or total abandonment of projects. In some cases, dormitory and welfare project construction was undertaken before factory construction.

Poor budgeting, lackadaisical supervision, waste in top-heavy administration, etc., have brought about wide variations in costs and lack of uniformity in results.

The Northeast Ministry of Industry is endeavoring to make improvements by tightening budget policy, separating basic industrial planning units from the construction units, and requiring construction contracts. Improved statistical methods, better reporting, and training courses for basic workers and cadres are other measures undertaken to effect improvement.

HYDROELECTRIC PLANT COMPLETES YEAR'S QUOTA EARLY -- Peiping, Jen-min Jih-pao, 15 Jan 51

Mukden, 13 January (Hsin-hua) -- The Feng-man Hydroelectric Plant in the Northeast fulfilled its power production quota for 1950 by 6 December and by the end of the year had exceeded the target by 9.4 percent.

- 3 -

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL
CONFIDENTIAL

50X1-HUM

Northeast industrial and mining industries operated by the Ministry of Industry exceeded their 1950 targets in the production of 28 of the items most important to the economy.

FIND TUNGSTEN DEPOSITS IN NORTHEAST -- Shanghai, Ta Kung Pao, 3 Jan 51

During the summer of 1950, over 100 geologists, minerologists, and physicists from both China proper and the Northeast engaged in prospecting in both South and North Manchuria. They held a conference in Mukden, 25 - 28 September 1950, to report on their work and study the minerological situation in the Northeast. The group reported new finds of coal, iron, and nonferrous metals, such as nickel, tungsten, and bentonite deposits.

SINO-SOVIET RECESSION PACT SIGNED -- Peiping, Jen-min Jih-pao, 20 Jan 51

Mukden, 19 January -- In accord with the Sino-Soviet treaty of 14 February 1950, a Sino-Soviet Joint Industrial Property Recession Commission was set up on 8 July 1950 and carried on conferences until 7 August 1950.

The Chinese negotiators were Lin Feng (1) [numbers refer to appended characters], Vice-Chairman of the Northeast People's Government; Wang Hao-shou (2), Minister of Industry of the Northeast People's Government; and Chu Ch'i-wen (3), Mayor of Mukden.

The Soviet negotiators were Boyko, Zhaborovsky, and Milman [preceding Russian names are approximations from the Chinese].

At the close of the conferences, a recession agreement was signed and carried out in due course after approval by the Chinese and Soviet governments. Working commissions to work out details of the transfers of property were set up at Mukden, Harbin, and Ch'ang-ch'un. The work of these commissions was completed by 28 August 1951.

CHARACTERS

1. 林 楓
2. 王 鶴 壽
3. 宋 英 文

- E N D -

- 4 -

CONFIDENTIAL

CONFIDENTIAL